



City of Mesa

Audit, Finance & Enterprise Committee Fees & Charges Recommendations FY 2011/2012

March 24, 2011

Presented by the Budget & Research Office



Fees and Charges Recommendations For Fiscal Year 2011/12:

<u>Department</u>	<u>Impact</u>
Business Services, Revenue Collection Operations	\$967,130
Development & Sustainability, Environmental	TBD
Arts & Culture	(\$5,000)
Business Services, Tax Audit & Collections	\$14,319



Fees and Charges Recommendations For Fiscal Year 2011/12:

Department

Impact

Development & Sustainability, Dev't
Services & Planning

\$7,858

Falcon Field Airport

\$7,728

Information Technology

\$0

Privilege Tax Fees Proposal

Current Tax System

- City of Mesa Tax System (COMET)
 - Database for +/- 24,000 Privilege Tax Licenses
 - Collect \$120 - \$155 million in Privilege Taxes
 - And +/- 1,200 Specialty Licenses
- End of Useful Life
- Current System
 - Cannot Continue to be Enhanced
 - Cannot be Web-Enabled
 - Needs to be Replaced



TPT Fee Increase Proposal

- Mesa's TPT Fees Are Very Low Compared to Our Benchmark Valley Cities

Current Fees							
Fee	Mesa	Chandler	Glendale	Phoenix	Scottsdale	Tempe	Tucson
Application	\$30	\$15		\$20	\$12	\$20	\$25
License		\$50	\$50	\$50	\$50	\$50	\$45
Renewal	\$20	\$50	\$50	\$50	\$50	\$50	\$45
Late License	\$15	\$25	\$25	\$25	\$25	\$15	
Late Renewal	\$10	\$25	\$25	\$45	\$37	\$15	\$22.50



TPT Fee Increase Proposal

- Proposal Raises our Fees to be Comparable to Our Benchmark Valley Cities

Proposed Fees							
Fee	Mesa	Chandler	Glendale	Phoenix	Scottsdale	Tempe	Tucson
Application	\$20	\$15		\$20	\$12	\$20	\$25
License	\$50	\$50	\$50	\$50	\$50	\$50	\$45
Renewal	\$50	\$50	\$50	\$50	\$50	\$50	\$45
Late License	\$25	\$25	\$25	\$25	\$25	\$15	
Late Renewal	\$25	\$25	\$25	\$45	\$37	\$15	\$22.50



TPT Fee Increase Proposal

- Revenue Projections

Comparison					
Fee	Current	Revenue		Proposed	Revenue
Application	\$30	\$120,990		\$20	\$80,660
License				\$50	\$201,650
Renewal	\$20	\$491,460		\$50	\$1,228,650
Late License	\$15	\$14,730		\$25	\$24,550
Late Renewal	\$10	<u>\$39,200</u>		\$25	<u>\$98,000</u>
Totals		\$666,380			\$1,633,510



TPT Fee Increase Proposal

- Revenue Increase of \$967,130 Annually
- Tax System
 - \$2.3 Million implementation Cost
 - \$1.6 Million – Year 3 through 6 Software Maintenance, Upgrades and Hardware Upgrades
- Taxpayers
 - Will see Increased License Fees – Comparable to Other Valley Cities
 - Will See the Benefits of a New Tax System

New Tax System

- Input
 - Web Enabled – Application, e-Filing, Payment
 - Paper Forms – Ability to Scan
 - Capture Data in Greater Detail
- Output
 - Audit/Enforcement/Collections Case Management
 - Enhanced Reporting

New Tax System

- Supports Initiatives to Streamline the Public's Interaction with the City
- Part of the Council's Strategic Initiatives for Financial Stability
 - **Reviewing and Simplifying the Process for Doing Business in Mesa**—Working to determine the timing and feasibility of a new business system to include on-line applications and to streamline the license, tax and permit application processes.
- Submitted to iMesa
 - 15 Votes

Environmental Compliance Fee

History

- Created in January 2007
- Unfunded Environmental Mandates
 - State
 - Federal
- Originally \$1.50
- Currently \$3.00
- Per utility account per month



Environmental & Sustainability

Eligible Expenses

- Air Quality
- Stormwater Compliance
- Hazardous Waste
- Asbestos
- Energy Conservation
- Lead Based Paint
- Environmental Site Assessments
- Public Health
 - West Nile Virus



Parks and Recreation Retention Basin Maintenance

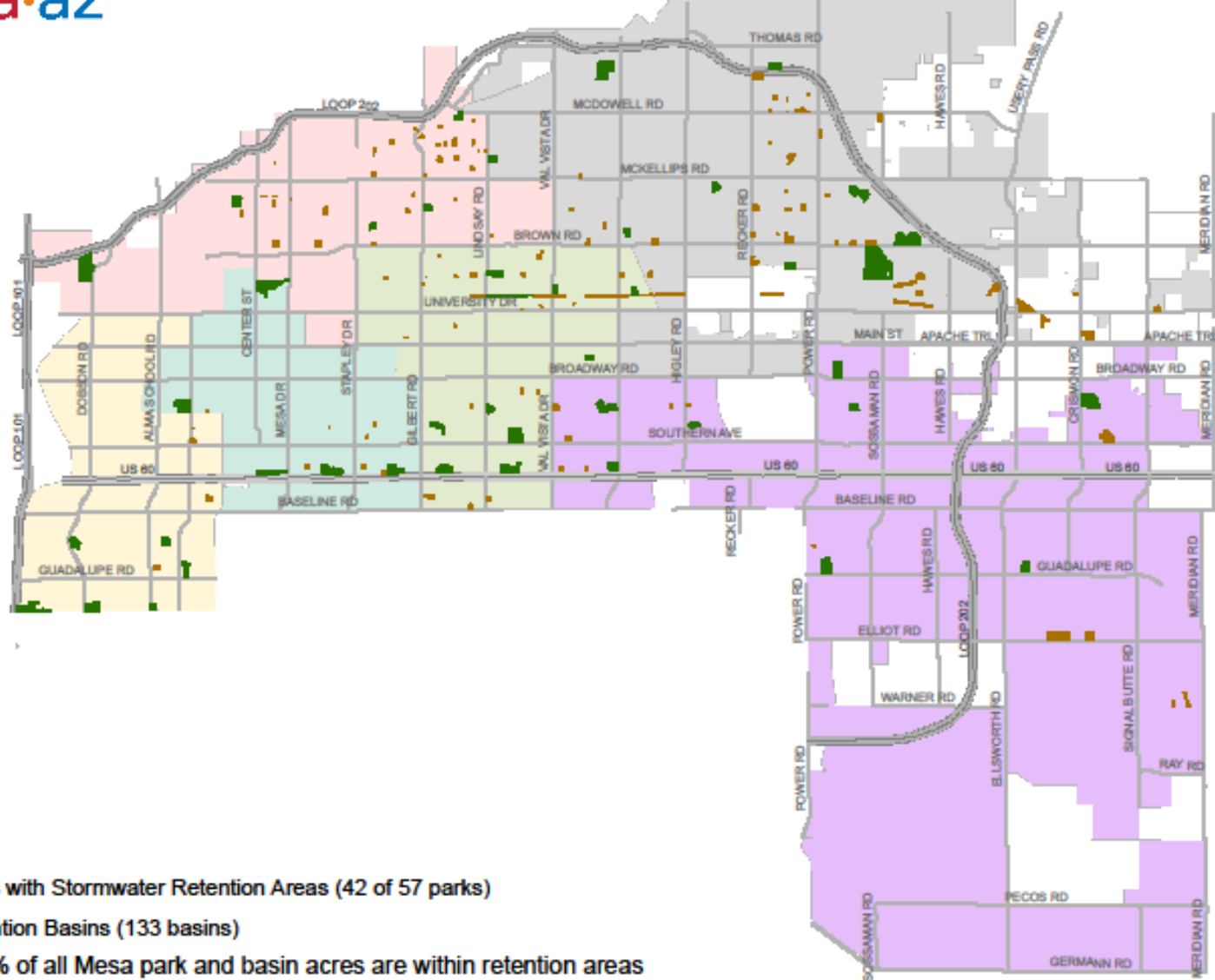
- Landscaping
- Watering
- Mosquito Control
- Capital Improvements
- Inspections
- Tree Trimming
- Replacement of Trees & Shrubs

Transportation Eligible Expenses

- Transportation
 - Street Sweeping
 - Storm Drain Maintenance
 - Capital Improvements
 - Stabilization of Unpaved Roads, Shoulders and Alleys

Fleet Eligible Expenses

- Fleet Services
 - Storage Tank Compliance



Legend

- Parks with Stormwater Retention Areas (42 of 57 parks)
- Retention Basins (133 basins)

Note: 51.5% of all Mesa park and basin acres are within retention areas

Stormwater Retention Areas in Parks and Basins



City of Mesa Data Checklist - Facilities & Protection

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Proposed Environmental Fee Funding for Stormwater Retention Areas in Parks and Basins

	Basin Acres	Proposed Maintenance*	Proposed Infrastructure Improvements
Parks with Basins	278.38	\$2,087,850	\$4,780,000
Retention Basins	369.99	\$2,774,925	\$5,340,000
Total Basin Areas	648.37	\$4,862,775	\$10,120,000

*Proposed Maintenance totals assume raising the cost per acre maintained to \$7,500 (parks are currently at \$6,200/acre and basins are at \$4,800/acre). This level of maintenance will restore water usage to 1,100,000 gallons per acre/per year to improve the health of the turf and trees, allow for additional mows, cleans and custodial services, and restore some fertilizations and tree care.

Fee Increase

- \$3.00/utility account/year
- Generates \$5.8 Million
- 59% cost recovery
- \$0.25 increase generates \$481,998
- \$2.05 increase for full cost recovery

Fees & Charges Timeline



General Fee Schedule for FY 11/12:

- Jun 6, 2011 – Introduction of Fee related Ordinances
- Jun 20, 2011 – City Council action on Fee Resolutions & Ordinances
- Jul 1, 2011 – Effective date for fee changes by Resolution
- Aug 1, 2011 – Effective date for fee changes by Ordinance

